Planning, Programming, Budgeting & Execution Process (PPBE)

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PPBE Introduction

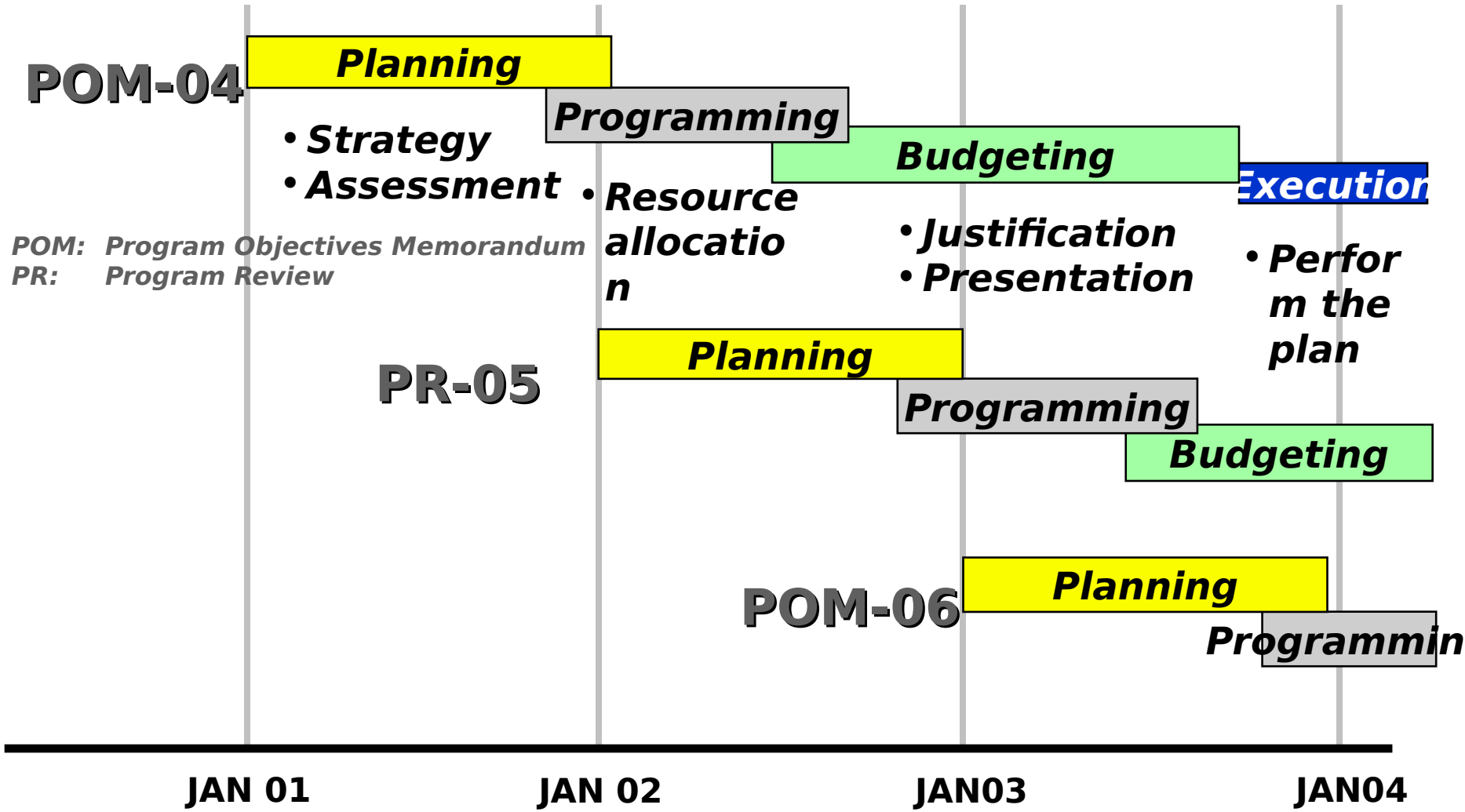
What is the PPBE process?

- 4 phased process intended to reallocate resources from one program to another as priorities change
  - **Planning** sets overarching direction and priorities for the process
  - **Programming** assigns resources to achieve direction
  - **Budgeting** refines costing and develops justification
  - **Execution** performs the approved plan

Why is it important?

- Primary means for the SECDEF to control allocation of *limited* resources across competing requirements
- Its all about $

PPBE Overview



Planning

Analyzes end-to-end capabilities

- Provides early vision and stability for PPBE participants
- Distills higher level military strategies into Navy objectives
- Identifies program/capability requirements
- Prioritizes capability areas inside Navy TOA

Key Products

- Naval Strategic Planning Guidance
- Campaign Analysis Baseline

Strategic Planning Guidance and Capability Plans inform program development

Customer is OPNAV

Programming

Allocation of Resources

- Based on assessment of capability requirements
- Deliberative consensus building
- Guided by Plans/Policy decisions
- Translates capabilities into resource programs
- Balances within fiscal constraints

Key Products

- Sponsor Program Proposals (SPP)
- Program Objectives Memorandum (POM)/Program Review (PR)

POM/PR becomes starting point for budget

Customers are OSD(PA&E) and FMB

Budgeting

Develop most defensible/executable budget possible by ensuring:

- Best pricing/schedule
- Requirement for fund availability during budget fiscal year
- Timely execution of funds
- Consistency over time
- Strong budget justification

Key Products

- DoN Budget

DoN Budget submitted to OSD for review. Adjustments directed via PBDs and resubmitted for Congressional review

Customer is OSD (C)

POM vs. Budget

POM	Budget
Focus on major DON programs	**Focus on each DON program**
Resource Sponsors	**Budget Submitting Offices**
Gross $	**More precise pricing**
5-6 year time horizon	**1-2 year time horizon**
By mission/capability	**By appropriation**

Execution

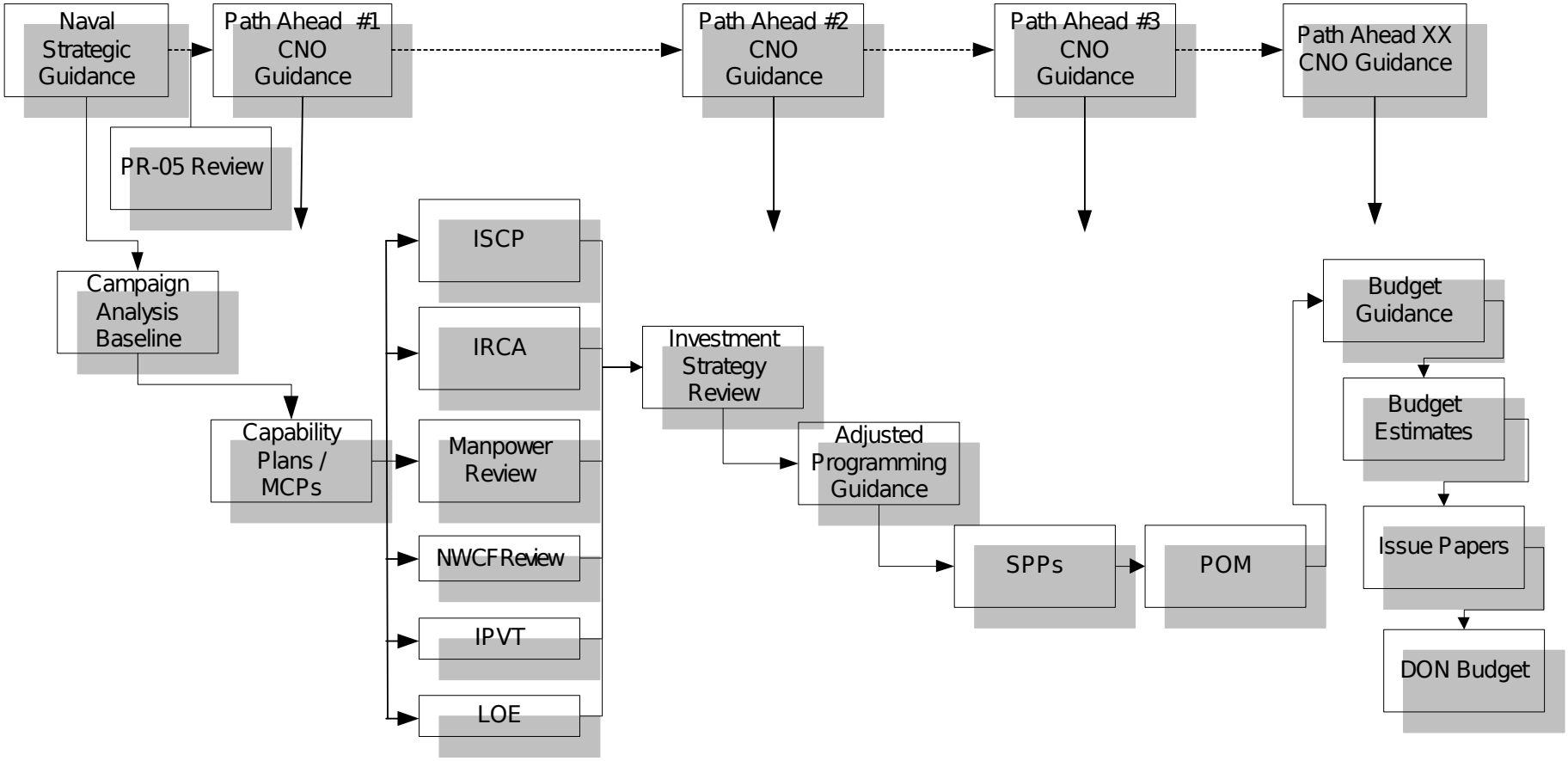
All the actions required to accomplish effectively, efficiently, and economically the programs for which funds were requested and approved

Phase of PPBE process that executes/performs work IAW approved appropriations

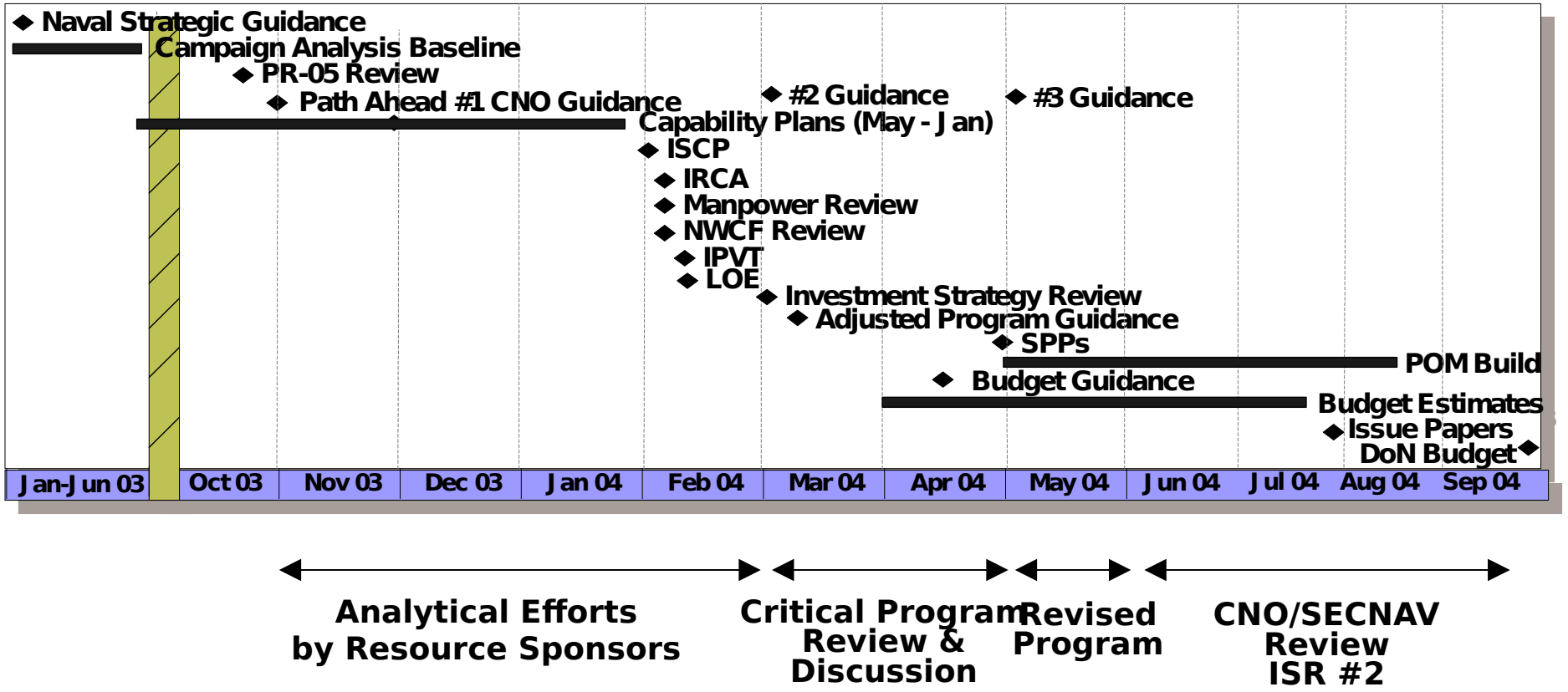
Overlaps budget formulation and review phases

Link back to planning, programming and budgeting to monitor accuracy

DON POM-06 Process



DON POM-06 Schedule



POM-06 Process/Schedule Details

Navy Strategic Guidance

- Who: Developed by: N3/5 / Used by: CNO, CSs, N80
- What: Framework for capabilities-based strategy / Provides prioritized list of warfighting capabilities for Campaign Analysis Baseline & MCP development
- When: Jan (previous year)

Campaign Analysis Baseline

- Who: Developed by: N81 / Used by: CSs
- What: Common baseline from which campaign excursions and mission level analyses are executed. Used to inform MCP development
- When: Jan-Jun

PR-05 Review

- Who: Performed by: N8 / Used by: All
- What: Review of PR-05 to determine state of DoN program. Acts as baseline from which POM-06 program planning can be initiated
- When: Oct

Path Ahead #1 CNO Guidance

- Who: Developed by: CNO & OPNAV senior leadership, N81 / Used by: all
- What: Communication of programmatic expectations for upcoming POM cycle based on Navy Strategic Guidance and PR-05 review
- When: Fall 2003

POM-06 Process/Schedule Details

Capability Plans

- Who: Developed by: CSs / Used by: CNO, N8
- What: Identify and prioritize requirements within warfighting and readiness capability domains. Replaces BAMs and IWARS
- When: May-Jan

ISCP (Integrated Strategic Capabilities Plan)

- Who: Developed by: N70 / Used by: CNO, N8
- What: A product of cross integration of MCP analysis. Forms N7 integrated warfare area input into building the N7 Integrated SPP (ISPP)
- When: Feb

IRCA (Integrated Readiness Capabilities Assessment)

- Who: Developed by: N4 / Used by: CNO, N8
- What: Identifies requirements for the full range of readiness enablers necessary to support a surge ready Navy
- When: Feb

Manpower Review

- Who: Developed by: N1/ Used by: CNO, BSOs, CFFC, RS
- What: Product of sustained efforts to refine Fleet and Shore manpower requirement development while mitigating risk assessments and maintaining personnel readiness
- When: Feb

POM-06 Process/Schedule Details

NWCF (Navy Working Capital Fund) Review

- Who: Conducted by: N4, N7, FMB / Used by: RSs, BSOs
- What: A review of significant or unbudgeted NWCF expenses and/or savings initiatives that impact NWCF rates
- When: Feb

IPVT (Investment Pricing Validation Team)

- Who: Conducted by: N82/FMB / Used by: CNO, N8, RSs, BSOs
- What: Effort to identify critical programming and pricing shortfalls in acquisition programs before POM-06 SPPs are built
- When: Feb

LOE (Level of Effort) Review

- Who: Conducted by: N8, FMB, BSOs / Used by: N8, FMB
- What: A review of all Level of Effort programs to validate levels of funding and personnel resources in support of varying levels of performance
- When: Feb

CNO Investment Strategy Review

- Who: Developed by: N81 / Used by: CNO
- What: Used to frame strategic discussions & adjusted program guidance, provides investment alternatives
- When: Mar

POM-06 Process/Schedule Details

Adjusted Programming Guidance

- Who: Developed by: N80 / Used by: CSs, RSs
- What: Follow up to CNO Guidance, provides specific guidance for achieving programmatic expectations
- When: Mar

SPPs

- Who: Developed by: RSs / Used by: CNO, N8
- What: Proposals that provide recommended allocation of resources across programs
- When: Apr

POM Build

- Who: Developed by: N8 / Used by: CNO, SECNAV
- What: Principal programming document which details DoN programs to OSD. Final program review performed concurrently with DoN Budget development.
- When: May-Aug

Budget Guidance

- Who: Developed by: FMB / Used by: BSOs
- What: Guidance and topline financial controls issued by FMB to guide submission of budget estimates by BSOs
- When: Apr

POM-06 Process/Schedule Details

Budget Estimates

- Who: Developed by: BSOs / Used by: FMB, OSD, Congress
- What: Proposed allocations of resources based on appropriations structure including justification materials required for analysis, review and verification
- When: Apr-Jul

Issue Papers

- Who: Developed by: FMB / Used by FMB, BSOs
- What: A proposed adjustment to the budget estimate containing recommended changes and the rationale for the changes.
- When: Jul-Aug

DoN Budget

- Who: Developed by: FMB / Used by: OSD
- What: A compilation of input from entire DON organization that serves as a control mechanism to help ensure that financial resources are applied to approved activities in support of the DoN mission.
- When: Sep